

**ADOPTED 2005 BUDGET****DEPT:** DEPARTMENT OF CHILD SUPPORT**UNIT NO.** 2430**FUND:** General - 0001**OPERATING AUTHORITY & PURPOSE**

The Department of Child Support implements and administers the Child Support Enforcement Act pursuant to Title IV-D of the Federal Social Security Act and Sections 49.22 and 59.53(5) of the Wisconsin Statutes, under contract with the State Department of Workforce Development. Title IV-D of the Federal Social Security Act applies to custodial parents receiving public assistance. Cases are referred by the Department of Human Services, W-2 agencies and the Milwaukee Bureau of Child Welfare when a custodial parent or child is

eligible for any one of a variety of benefits. The Department of Child Support works cooperatively with other County departments to comply with the IV-D program mandates. Title IV-D legislation requires the Department to provide services to locate parents, establish paternity, enforce and establish child support and medical support orders. Non-W-2 custodial parents may also apply to receive the Child Support Services that are provided to IV-D eligible custodial parents.

<b>BUDGET SUMMARY</b>				
<b>Account Summary</b>	2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
Personal Services (w/o EFB)	\$ 8,247,069	\$ 8,567,791	\$ 8,330,676	\$ (237,115)
Employee Fringe Benefits (EFB)	3,140,185	4,679,555	4,641,969	(37,586)
Services	1,541,055	1,623,841	1,618,477	(5,364)
Commodities	87,182	152,248	132,248	(20,000)
Other Charges	0	223,226	0	(223,226)
Capital Outlay	34,751	105,370	6,000	(99,370)
County Service Charges	4,501,177	4,602,872	4,613,776	10,904
Abatements	(1,718,441)	(1,542,012)	(1,312,899)	229,113
<b>Total Expenditures</b>	<b>\$ 15,832,978</b>	<b>\$ 18,412,891</b>	<b>\$ 18,030,247</b>	<b>\$ (382,644)</b>
<b>Total Revenues</b>	<b>\$ 16,501,977</b>	<b>\$ 18,413,085</b>	<b>\$ 18,137,076</b>	<b>\$ (276,009)</b>
<b>Direct Property Tax Levy</b>	<b>\$ (668,999)</b>	<b>\$ (194)</b>	<b>\$ (106,829)</b>	<b>\$ (106,635)</b>

<b>ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*</b>				
<b>Account Summary</b>	2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
Central Service Allocation	\$ 243,593	\$ 143,530	\$ 170,313	\$ 26,783
Courthouse Space Rental	433,896	420,291	396,966	(23,325)
Document Services	24,007	34,112	16,769	(17,343)
Tech Support & Infrastructure	457,277	401,069	440,546	39,477
Distribution Services	53,913	54,732	41,866	(12,866)
Telecommunications	73,420	41,250	33,028	(8,222)
Records Center	35,773	35,823	36,812	989
Radio	0	0	0	0
Personal Computer Charges	944	0	680	680
Applications Charges	162,285	294,705	175,919	(118,786)
<b>Total Charges</b>	<b>\$ 1,485,108</b>	<b>\$ 1,425,512</b>	<b>\$ 1,312,899</b>	<b>\$ (112,613)</b>
<b>Direct Property Tax Levy</b>	<b>\$ (668,999)</b>	<b>\$ (194)</b>	<b>\$ (106,829)</b>	<b>\$ (106,635)</b>
<b>Total Property Tax Levy</b>	<b>\$ 816,109</b>	<b>\$ 1,425,318</b>	<b>\$ 1,206,070</b>	<b>\$ (219,248)</b>

\* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department.

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<b>PERSONNEL SUMMARY</b>				
	2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
Personal Services (w/o EFB)	\$ 8,247,069	\$ 8,567,791	\$ 8,330,676	\$ (237,115)
Employee Fringe Benefits (EFB)	\$ 3,140,185	\$ 4,679,555	\$ 4,641,969	\$ (37,586)
Position Equivalent (Funded)*	218.4	206.3	191.0	(15.3)
% of Gross Wages Funded	90.1	95.8	93.9	(1.9)
Overtime (Dollars)**	\$ 2,031	\$ 0	\$ 0	\$ 0
Overtime (Equivalent to Positions)	0.1	0.0	0.0	0.0

\* For 2003, the Position Equivalent is the budgeted amount.

\*\* Delineated for information. (Also included in personal services.)

<b>PERSONNEL CHANGES</b>				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
Office Supp Asst 1*	Abolish	1/1.0	Child Support	\$ 0
Child Support Supv*	Abolish	1/1.0	Child Support	0
Paralegal CS*	Abolish	1/1.0	Child Support	0
Child Support Asst*	Abolish	1/1.0	Child Support	0
Child Support Specialist*	Abolish	1/1.0	Child Support	0
Office Supp Asst 2*	Abolish	1/1.0	Child Support	0
Legal Counsel Child Support 1	Abolish	1/1.0	Child Support	(93,747)
Child Support Coordinator	Abolish	1/1.0	Child Support	(49,351)
Child Support Program Coord	Abolish	1/1.0	Child Support	(56,426)
Fiscal Asst 1	Abolish	1/1.0	Child Support	(35,469)
Paralegal CS	Abolish	2/2.0	Child Support	(75,676)
Child Support Supv	Abolish	1/1.0	Child Support	(45,646)
Child Support Specialist	Abolish	1/1.0	Child Support	(38,996)
Clerical Asst 2*	Abolish	1/1.0	Child Support	0
			<b>TOTAL</b>	<b>\$ (395,311)</b>

\* These positions were unfunded in 2004. They are shown on this table in order to abolish the slots in 2005 and do not provide any tax levy savings since it was already counted in 2004.

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<b>ORGANIZATIONAL COST SUMMARY</b>					
<b>DIVISION</b>		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2004/2005</b>
		<b>Actual</b>	<b>Budget</b>	<b>Budget*</b>	<b>Change</b>
Administrative Services	Expenditure	\$ 1,593,703	\$ 1,613,379	\$ 15,261,968	\$ 13,648,589
	Abatement	(810,850)	(571,213)	(688,387)	(117,174)
	Revenue	<u>3,139,970</u>	<u>1,053,787</u>	<u>17,652,562</u>	<u>16,598,775</u>
	Tax Levy	\$ (2,357,117)	\$ (11,621)	\$ (3,078,981)	\$ (3,067,360)
Enforcement/ Establishment & Legal	Expenditure	\$ 14,212,336	\$ 16,198,978	\$ 4,036,893	\$ (12,162,085)
	Abatement	(865,515)	(936,320)	(580,801)	355,519
	Revenue	<u>12,214,885</u>	<u>15,504,853</u>	<u>474,514</u>	<u>(15,030,339)</u>
	Tax Levy	\$ 1,131,936	\$ (242,195)	\$ 2,981,578	\$ 3,223,773
Family Support	Expenditure	\$ 1,745,380	\$ 2,142,546	\$ 44,285	\$ (2,098,261)
	Abatement	(42,076)	(34,479)	(43,711)	(9,232)
	Revenue	<u>1,147,122</u>	<u>1,854,445</u>	<u>10,000</u>	<u>(1,844,445)</u>
	Tax Levy	\$ 556,182	\$ 253,622	\$ (9,426)	\$ (263,048)

\* Previously, the Personal Services budget for the department was divided among three areas: Administrative Services, Enforcement/Establishment & Legal and Family Support. Beginning in 2005, the department is budgeting for Personal Services costs primarily in the Administrative Services area. For this reason, the expenditures and revenue for Administration has increased with offsetting reductions in the other two areas.

**MISSION**

The Department of Child Support, through the utilization of community resources, promotes family stability creating a better quality of life for the children of Milwaukee County.

**DEPARTMENT DESCRIPTION**

The Department has five divisions: Establishment, Enforcement, Financial, Legal, and Operations. The Establishment Division is responsible for establishing paternity, obtaining support orders, and maintaining the Customer Service unit. The Enforcement Division handles income withholding, contempt actions, modification reviews, interstate enforcement, and outstation services. The entry of family court orders on Wisconsin's Kids Information Data System (KIDS) and the proper disbursement of support payments is the focus of the Financial Division. The Legal Division represents the Department in family court hearings. The Operations Division is responsible for maintaining the infrastructure of the Department: its human resources, computers, supplies, and budget.

The **Establishment Division** has four units: Case Initiation, Paternity Establishment, Order Establishment, and Customer Service. Case

Initiation schedules all paternity interview appointments. This area receives referrals from W-2 agencies, individuals applying for services, Foster Care and Kinship Care providers. The Paternity Establishment unit's primary responsibility is to interview mothers and potential fathers to establish paternity for the children of Milwaukee County. The Order Establishment unit prepares pleadings to establish support orders. The Customer Service unit supports all areas of the Department by responding to customers, case management and financial questions.

The **Enforcement Division** monitors cases to ensure timely payment of child support orders. If necessary, the Division takes administrative and/or legal action. Staff also locates parents who are not paying support, and finds income and assets that may be used to satisfy support orders. The Division also monitors automated delinquency reports, performs address and employment searches, and sends enforcement warning letters to delinquent payers. The Income Withholding section sends income withholding notices to employers when employment is reported by the payer, the payee, or through the Federal or State new-hire directories. Applicants for child support services automatically receive tax intercept services. The Internal Revenue Service (IRS) and the State Department of Revenue

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(DOR) intercept refunds due to support payers with outstanding support debts. The Division has begun to utilize new enforcement tools to collect child support arrears. Financial Institution Data Match (FIDM) and Lien Docket have been successfully implemented.

This division also conducts reviews of child support orders, upon request, if an order is more than three years old or circumstances in either or both households have changed substantially since the last support order was set. The Enforcement Division also handles medical support orders. The Interstate unit of the Enforcement Division works with other states to establish paternity and support orders, and to enforce existing orders.

The **Financial Division** is responsible for maintaining the Milwaukee County family court orders on KIDS and the statewide support computer system. The Division has two sections, Case Maintenance and Case Operations.

The Case Maintenance section is charged with entering all court orders on KIDS so that support payments properly pay out to the custodian as ordered. The Fiscal Assistants in this section process an average of 3,000 court orders per month.

Employees in the Case Operations section make sure that support payments flow through the case accounts and pay out in an accurate, timely manner. This section is responsible for manually allocating payments to cases which cannot be processed automatically, pulling files and receipts to help co-workers review cases, retrieving files, and printing payment records for the courts, participants, agencies and co-workers. This section also performs financial record reviews for cases that are placed upon the State Support Lien Docket.

The Department of Child Support is involved in more than 600 family court hearings per week in Milwaukee County. The **Legal Division's** 14.5 lawyers represent the Department and the State of Wisconsin before the County's five family court judges and twelve family court commissioners. They also appear, as needed, in probate and bankruptcy proceedings affecting the Department's cases.

The **Operations Division** provides the support that the other divisions require to serve the people of Milwaukee County. Operations' staff is responsible

for managing the Department's human resources, computer resources, supplies and budget.

### BUDGET HIGHLIGHTS

- Beginning in the Federal fiscal year 2000, the Federal Government implemented a new method to allocate money to the State for Child Support Enforcement based upon the following measures:
  - Paternity establishment
  - Establishment of support orders
  - Collection of current child support obligations
  - Collection of child support arrears
  - Cost effectiveness
- The 2005 Budget is based on the department meeting certain performance standards in order to achieve a full incentive revenue amount of \$3,877,600, under State and Federal funding guidelines. This reflects an increase of \$170,386 over 2004 and assumes 100% achievement of the performance standards. Incentive revenue is in addition to cost reimbursement of 66% for all expenditures, including expenses such as Courthouse space rental and IMSD crosscharges that are budgeted centrally. To achieve the maximum performance incentive revenue available to Milwaukee County, the department is required by contract to perform at certain levels from a baseline established on 9/30/03 in the following four areas of Federal performance standards:
  - Increase paternity establishment by .05 percentage points.
  - Increase current support collection rate by 2 percentage points.
  - Increase order establishment rate by 1.5 percentage points.
  - Increase collection on arrears by 4 percentage points.
- In addition to the base amount of incentive revenue, the Department has included an additional \$318,600 predicated upon increasing performance in two measured areas from a baseline established on 9/30/03:

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- Increase collection on arrears 6 percentage points.
- Increase current support collection by 3 percentage points.
- The reduction of \$106,635 in tax levy is primarily due to a reduction in the Personal Services budget. Personal Services expenditures without fringe benefits decrease by \$237,115 from \$8,567,791 to \$8,330,676. Funded positions decrease 15.0 positions, from 206.3 to 191.0.

Seven of the 15 vacant, full-time positions were unfunded in the 2004 Budget and provide no tax levy savings for 2005. These seven slots are now being abolished in 2005. As a result of fiscal constraints, the remaining eight positions are abolished in 2005 for an expenditure savings of \$395,311, revenue reduction of \$260,905 and net tax levy reduction of \$134,406.

(\$0)	Abolish	1	Clerical Asst 2
(0)	Abolish	1	Office Support Asst 1
(0)	Abolish	1	Child Support Supv
(0)	Abolish	1	Paralegal CS
(0)	Abolish	1	Child Support Asst
(0)	Abolish	1	Child Support Spec
(0)	Abolish	1	Office Supp Asst 2
(93,747)	Abolish	1	Legal Counsel CS 1
(49,351)	Abolish	1	Child Support Coord
(56,426)	Abolish	1	Child Support Prog Coord
(35,469)	Abolish	1	Fiscal Asst 1
(75,676)	Abolish	2	Paralegal CS
(45,646)	Abolish	1	Child Support Supv
<u>(38,996)</u>	Abolish	1	Child Support Spec
(\$395,311)	Total		

- Departmental expenditures total \$18,030,247 plus \$1,312,899 in allocated charges for total expenditures of \$19,343,146 for 2005. This reflects a reduction in expenditures of \$611,757. Revenue is estimated to be \$18,137,076, which reflects a decrease of \$276,009. If, during 2005, the amount of actual incentive revenue exceeds the amount of budgeted revenue, the surplus is to be recorded in a special revenue account, titled Revenue from Other Governmental Units. These funds can only be expended via an appropriation transfer requiring approval of the County Executive and County Board.

- Revenue from the State of Wisconsin decreases \$219,000 due to the phasing out of revenues associated with the Percentage Expressed Order Conversion Project involving the transition of calculating child support based on a percentage of income to a flat dollar amount.

- The cost of one Economic Support Specialist is crosscharged to Child Support by the Department of Health and Human Services in 2005 to reflect the role of a dedicated ESS worker on cases in which Income Maintenance and Child Support issues intersect. Through this initiative, both departments anticipate achieving higher performance standards by improving the accuracy of the data maintained in the Wisconsin Kids Information Data System (KIDS) database. Child Support will pay for an existing Economic Support position budgeted in DHHS to review the information and remove duplicative cases. The cost of this position is \$57,571 and is offset with 66 percent in reimbursement revenue of \$37,997 for a net tax levy increase of \$19,574 to Child Support.

- Abatements are increased by \$229,113 primarily as a result of two changes in the department:

(1) For the past few years, the department participated in a Welfare-to-Work pilot program designed to steer non-custodial incarcerated and formerly incarcerated offenders into employment. This program, involving the House of Correction and Private Industry Council, has been discontinued as a result of the elimination of a grant from the U.S. Department of Labor. The impact to the department's budget is an increased abatement of \$116,500 and resulting tax levy increase of \$116,500. The cost of this program, consisting of personnel costs for two paralegals, a supervisor and clerical assistance, was formerly crosscharged to the House of Correction.

(2) A Network Application Specialist 4 budgeted in Information Management Services Division (IMSD) and assigned to Child Support has been unfunded which results in an increased abatement of \$101,436 and corresponding reduction in crosscharges of the same amount. The unfunded position results in reduced revenue of \$66,948 and a tax levy reduction of \$101,436 in IMSD.

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- Revenues associated with Recovery of Medical Support Liability increase \$80,000, from \$657,000 to \$737,000, based on an increase in the court ordered amount for birth expenses. The department recoups 15 percent of the cost associated with the birth of a child.
- Capital Outlay for equipment decreases nearly \$100,000 due to the purchase of additional computer equipment in 2004.
- The crosscharges to the Child Support program from the Family Court Commissioner, District Attorney and Clerk of Circuit Court are reviewed annually. Crosscharges are adjusted to reflect appropriate staffing levels, the percentage of operating expenses related to Child Support Enforcement activities and the projected revenues from Child Support Enforcement operations. The Child Support service charges from the serving departments are as follows:
- The 2005 Budget reflects a zero wage increase for all represented, non-represented and Executive Compensation Plan (ECP) positions. In addition, ECP positions are not provided step increases or performance awards in 2005 as allowed in County Ordinance Section 17.265 (3).
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

CROSSCHARGES FROM OTHER COUNTY AGENCIES			
	2004 Budget	2005 Budget	2004/2005 Change
Family Court			
Commissioner	\$2,005,309	\$ 2,061,633	\$ 56,324
Clerk of Court	882,177	827,720	(54,457)
District Attorney	<u>118,438</u>	<u>148,266</u>	<u>29,828</u>
TOTAL	\$3,005,924	\$ 3,037,619	\$ 31,695